

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5268
ANSWERED ON:28.04.2000
COMMITTEE FOR INDUSTRIAL SICKNESS AND CORPORATE RESTRUCTURING
SUDARSANA E.M. NATCHIAPPAN

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government have examined the recommendations of the Committee on Industrial Sickness and Corporate Restructuring;
- (b) if so, the details of the recommendations accepted by the Government; and
- (c) the details of recommendations not accepted and the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH) :

(a) to (c) In April, 1993 a Committee under the Chairmanship of Dr. Omkar Goswami was constituted to review and examine the various aspects of industrial sickness and corporate restructuring. The Committee submitted its report in July 1993 wherein it made wide range of recommendations starting from a change in definition of sickness to converting the Board for Industrial and Financial Reconstruction (BIFR) into a fast track facilitator. The recommendations of Goswami Committee were taken into consideration while drafting a comprehensive new Legislation to deal with sick industrial companies. Consequently, Government introduced a new Bill namely the Sick Industrial Companies (Special Provisions) Bill, 1997 in the Parliament on 16th May, 1997. However, the Bill lapsed due to dissolution of the 11th Lok Sabha in December, 1997. Government is presently evaluating functioning of BIFR and operation of Sick Industrial Companies (Special Provisions) Act, 1985 (SiCA) with a view to find out ways to tackle the problem of industrial sickness in a more effective manner.